

PNC

Pittsburgh National Bank  
Pittsburgh, PA 15265

An affiliate of PNC FINANCIAL CORP

RECEIVED  
AUG 21 1989

DIVISION OF  
OIL, GAS & MINING

August 17, 1989

ACT/007/033

#4

Incoming  
0070033

OK

Ms. Pamela Grubaugh-Littig  
Reclamation Engineer  
State of Utah  
Department of Natural Resources  
355 West North Temple  
3 Triad Antes, Suite 350  
Salt Lake City, Utah 84180

Dear Pam:

I am writing regarding your letter to Mike Glasson, Andalex Resources, Inc., concerning the collateral bond for the Wildcat Loadout Facility. In that communication, you mention the fact that I did not execute the collateral bond and suggested a remedy, advocated by your Attorney General's Office. After a further review, our attorneys have suggested that we not amend the letter of credit but instead add an extra line to the Collateral Bond form, on the second page following "NOTE: An Affidavit of Qualification . . . by its duly authorized officer."

The suggested sentence should read as follows:

"The sole obligation of Institution will be to honor its commitment to the Division under the Institutions Letter of Credit No. 55412-IC dated 3/1/89."

I have retained the Collateral Bond form and will add this extra line and sign it upon your favorable response. I appreciate your patience and help with this transaction and welcome your comments. Please don't hesitate to call me at (412) 762-8813 if you have any questions.

Sincerely,



Michael J. Beyer  
Assistant Vice President

MJB/kjk